

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO THE LEASE AGREEMENT is made and entered into this 13th day of June 2007, between the CITY OF SAN DIEGO, a California municipal corporation ("Lessor"), and "3RD WORKS, LLC", a California corporation, ("Lessee").

RECITALS

1. The parties entered into the Lease Agreement dated January 18, 2001 ("the Lease"), wherein Lessor leased to 3RD Works, LLC certain real property known as 303 A Street, Suite 403, San Diego, California ("collectively Premises") consisting of approximately 2,034 rentable square feet.
2. The Lease is in full force and effect, and neither Lessee nor Lessor has actual knowledge of any default or breach by the other under the Lease.
3. The parties now desire to amend the Lease January 18, 2001, as provided in this First Amendment to Lease Agreement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is acknowledged, Lessor and Lessee agree as follows:

ARTICLE ONE - AMENDMENTS

1. Section 2 Space Leased of the Lease is deleted in its entirety and replaced by the following:

A portion of the 4th floor also known as Suite, Nos. 403 and 411, hereinafter called "Premises" consisting of approximately 3,387 rentable square feet as shown on the attached floor plan as Exhibit A. It is understood and agreed that the square footage figures set forth in this Lease are approximations for reference only. City and Lessee agree that these approximations are reasonable and shall not be subject to revision except in conjunction with an actual change in the size of the Premises or a change in the space available for lease in the Building. Lessee shall be entitled to lease five (5) reserved parking spaces at a rate of \$65.00 per space per month as shown on the attached parking garage layout.

2. Rent. Monthly rent for the Term and any extension period thereof shall be in accordance with the following rent schedule not including any cost associated with the telephone system.

June 21, 2007 – March 20, 2008

\$5,556.12 per month, with a tenant improvement credit of \$1,799.14 per month

March 21, 2007 – April 20, 2008

✓ \$5,778.36 per month, with a tenant improvement credit of \$1,799.14 per month

April 21, 2008 – May 20, 2008

✓ \$5,778.36 per month, with a tenant improvement credit of \$290.60 per month

May 21, 2008 – March 20, 2009

~~\$778.36~~
\$6,009.49 per month
~~6,009.49~~
\$6,249.86 per month

March 21, 2009 – March 20, 2010

Lessee is allocated a tenant improvement credit of \$18,282.00 for Suite 411 as denoted above for the purpose of tenant improvements as listed on Exhibit C attached. All improvements must be completed by September 21, 2007. The above rent schedule reflects an annual rent escalation equal to four percent (4%) on an annual basis. If the Commencement Date is not the first day of a calendar month then the accrued rent for the partial month at the beginning of the Term shall be prorated on a per diem basis, and paid in conjunction with the rent for the first full month of the Term.

3. The Lease, as amended by this First Amendment to Lease agreement, represents the complete and final understanding of the parties with respect to the subject matter of the Lease. No further modification or amendment of the Lease shall be effective unless set forth in a written instrument executed by a duly authorized representative of the parties. This is an integrated agreement.
4. The effective date of this Amendment will be June 21, 2007.

IN WITNESS WHEREOF, this Lease Amendment is executed by City, acting by and through its Mayor, and by Lessee, acting by and through its lawfully authorized officers.

LESSOR:

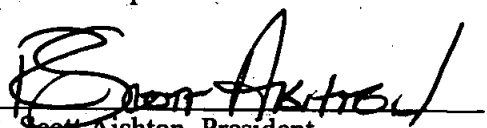
LESSEE:

CITY OF SAN DIEGO, a California municipal corporation

3RD WORKS, LLC
A California corporation

By: 

James F. Barwick, Director
Real Estate Assets Department

By: 

R. Scott Aishton, President

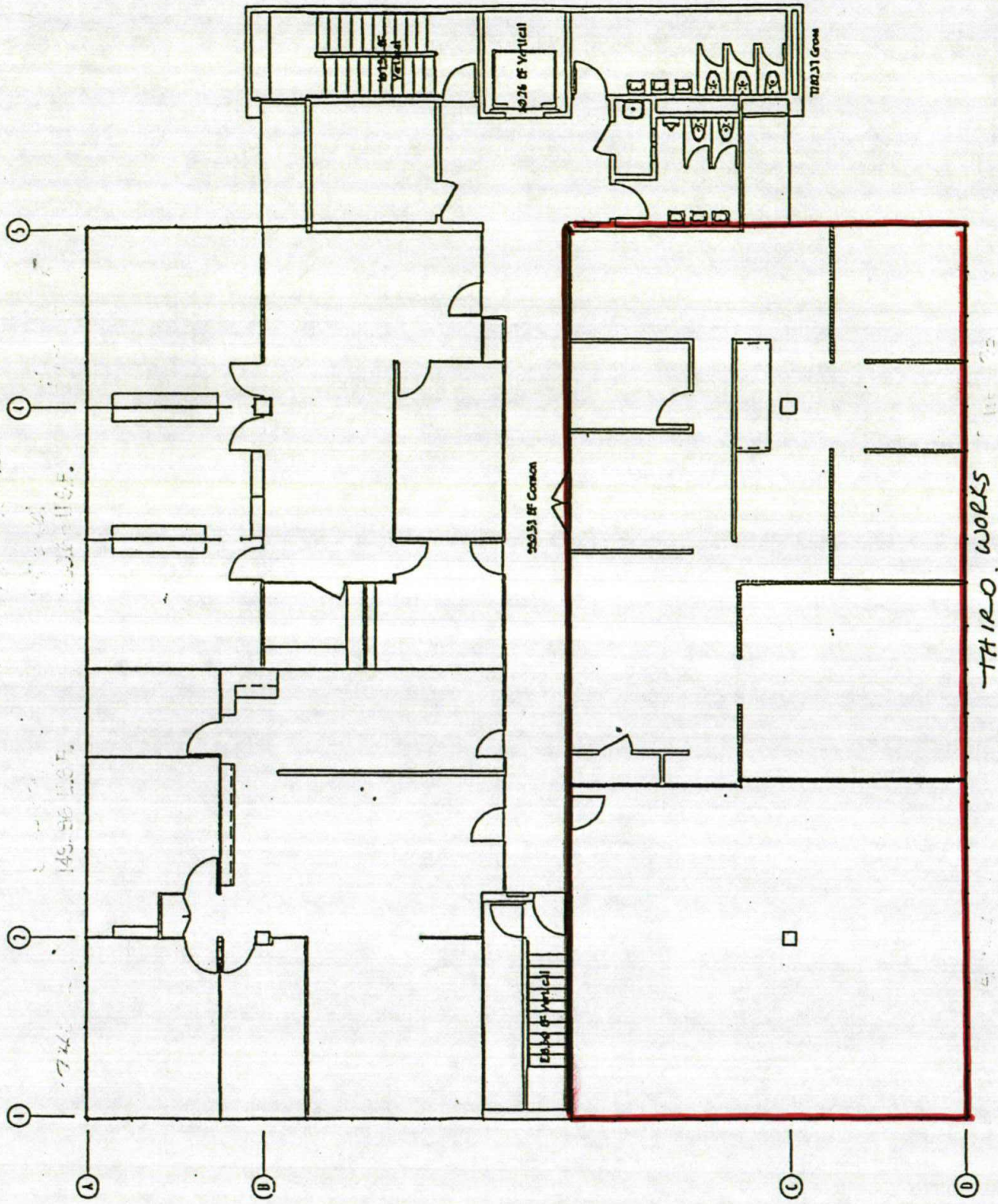
APPROVED AS TO FORM AND LEGALITY, this 13th day of August, 2007.

MICHAEL J. AGUIRRE, San Diego City Attorney

By: 

Deputy City Attorney

EXHIBIT "A"



(1) FLOOR 4 PLAN
1/8" = 1'-0"

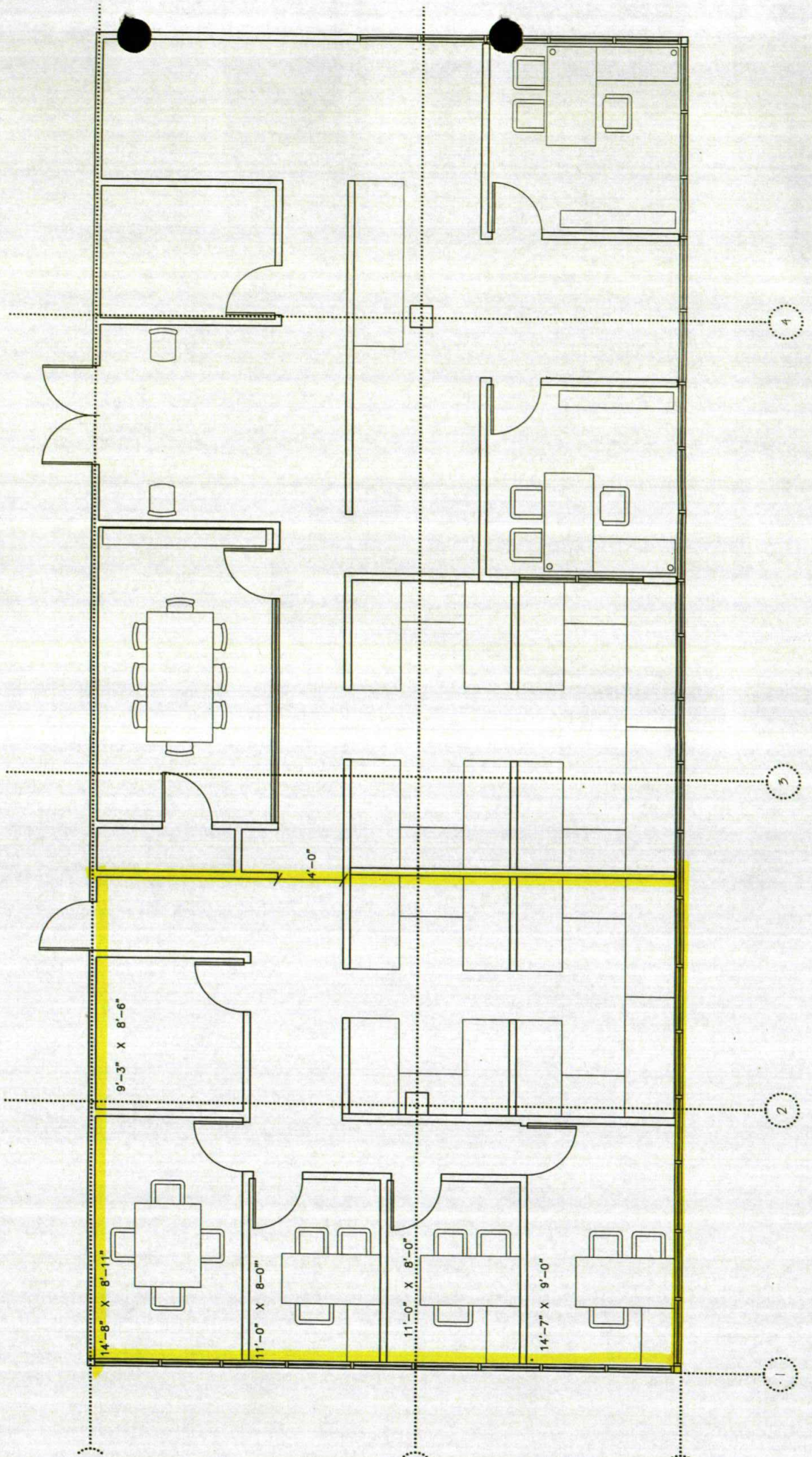


EXHIBIT "C"



Davis-Adams
Construction Inc.

7986 Dagget Street - San Diego, CA 92111 P: (858) 268-8831 F: (858) 268-8270

June 11, 2007

PROPOSAL

Bid #6936SS

3rd Works
303 A Street, Suite A
San Diego, CA 92101

Project SF 855

This project is bid per Architectural plans provided by Carrier Johnson dated 11/30/06

CSI	Description	Cost
00700	General Conditions	<u>\$2,320</u>
	1. Project management	
	2. Protection of existing	
	3. Safety barricades	
	4. Laborer (Trade support and daily cleaning)	
01305	Supervision	<u>\$4,860</u>
	1. Full time supervision on the site	
01740	Final Cleanin g	<u>\$350</u>
06400	Millwork	<u>\$4,890</u>
	1. Install door countertops w/supports	
	2. Paint grade wood caps at low walls	
07200	Insulation	<u>\$460</u>
	1. R-11 sound attenuation unfaced blankets	
08200	Doors, Frames & Hardware	<u>\$3,972</u>
	1. (4) 3070 aluminum frames x wood doors	
	2. (1) 3070 aluminum frame w/wood french door	
	3. Hardware for the above openings	
08800	Glazing	<u>\$3,240</u>
	1. Provide and install storefront and glass at one opening 11'10" x 8'11"	
	2. Four bays wide, two bays high	
	3. Storefront metals to be 1-3/4x 4" stacking system. (As drawn)	
	4. Metal finish to be bronze anodized	
	5. Glass to be 1/4" thick clear tempered glass	
09200	Drywall	<u>\$9,301</u>
	1. All new walls and ceiling to be level 4 smooth wall 5/8 drywal	
	2. Misc. patching after removing/relocat ing bath accessories	
09500	Acoustic Ceiling	<u>\$5,885</u>
	1. Install new ceiling tiles into existing grid	
	2. New tiles to be 12"x18"	
	3. Demo & remove existing ceiling tiles	
09800	Floorin g	<u>\$5,318</u>
	1. Carpet Atlas, Delft 36, DE 06 Flaxan Sand, glue down	

2. Base : 4" rubber cove base, burke, 503 ginger
3. Floor prep

09803	Blinds		\$1,735
	1. 3-1/2" vertical blinds w/solid PVC vanes & standard colors base on 64"x11" tall		
09900	Painting		\$2,646
	1. (1) coat primer/ (2) coats paint walls and soffits		
	2. Prime/Paint (4) doors and (4) frames		
	3. Paint low wall cap		
	4. Last coat after carpet but before base installation		
10800	Bath Accessories		\$464
	1. Lower existing toilet seat cover receptacles		
	2. Replace existing soap dispensers with (6) new soap dispensers		
15400	Plumbing		\$2,076
	1. Remove (2) existing lavatories faucets, traps, grid strainers & angle stops		
	2. Provide/install the following fixtures:		
	3. (2) Zurn ZB67AO lavatory faucets		
	4. (2) P-traps		
	5. (2) braided steel risers		
	6. (2) lift it seats O/ZL-210CC (on last ADA water closet)		
	7. (2) grid strainers		
	8. (2) ADA boot sets		
	9. (2) angle stops		
	10. Alt. add: \$402 (1) Zurn battery operated retro kit at exist womens rm flush valve		
	11. Alt. add: \$500 for Plumbing permit if needed		
15700	HVAC		\$3,700
	1. Permits		
	2. Demo (10) existing grills and remove from site		
	3. (11) new grills and duct work		
	4. Air balance and one year warranty		
	5. Alt add: \$1,265 for independent air balance if required by city		
16000	Electrical		\$5,800
	1. Business licence		
	2. Safe off for demo		
	3. Add new circuits		
	4. Add (7) ring and string		
	5. Add (20) receptacles (2 cut in)		
	6. Permit		
	7. Add (2) circuit breakers		
	8. Add conduit and wire		
Profit, Overhead			\$6,702
Total:		66.67	\$62,718

APPROVED:

I, the undersigned, have reviewed and approved the costs contained herein:

Sig. _____ Date 11-Jun-07
 Davis & Adams Construction Inc.

Sig. _____ Date _____
 Landlord, Tenant, or Authorized Representative

Clarifications

1. This proposal may be withdrawn if not accepted within 30 days of above date
2. We have not included cost for Permit, Engineering or any other specialty fees
3. We have not included after hours or weekends to complete this project

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DA

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**Davis and Adams**
Construction Inc.7986 Dagget St San Diego, CA 92111-2321
268-9831 Phone Fax 268-9859**CHANGE ORDER REQUEST**

I hereby authorize the following work which I understand is in addition to any previous contract or agreement and will have both a cost and time impact as indicated below.

Date: July 9, 2007 **Request #** COR#4

Project: 3rd Works **Job #** 3949

Address: 303 A St. Suite 403 San Diego Ca. 92101

For: Scott Ashton
(Company & Person Requesting Work)

Description of Work to be Completed:

1. Provide labor material and equipment for work as follows:
2. Add 3 wall A/B monitor sensors and re-wire 8 fixtures as per City Inspector.
3. Install metal box to protect open ballasts over fixtures total 16 units .
4. 0
5. 0
6.
7.
8.

I agree to make payment in full for the above items of work for a total cost of \$4,422 .

I understand that these changes will add 0 days to the completion schedule.

Submitted by: Joe F. Rugama

Signed: _____ **Approved or Rejected**
circle one

07/09/07

(Print Name)

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DA

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 CITY OF SAN DIEGO DEVELOPMENT SERVICES DEPARTMENT NOTICE	Page 1 of 1		
	JOB ADDRESS 503 14th St #103		
	CENSUS TRACT NO. 403919	PERMIT NUMBER A	PLAN FILE NUMBER A
	CONTRACTOR _____		
OWNER'S OR PERMITTEE'S NAME _____		MAIL ADDRESS FOR ☐ OWNER, OR ☐ CONTRACTOR _____	

- ☐ VIOLATION **READ REVERSE SIDE**
- ☐ STOP WORK
- ☐ NO PERMIT - REMOVE CONSTRUCTION, OR OBTAIN PERMIT AND MAKE ANY WORK COMPLY WITH BUILDING LAWS. (See comments on reverse side regarding penalty fees).
- ☐ CONSTRUCTION NOT IN ACCORDANCE WITH APPROVED PLANS AND PERMIT MAKE EXISTING WORK COMPLY WITH APPROVED PLANS AND PERMIT OR REMOVE IT.
- ☐ CALL ZONING DIVISION AT (619) 445-5000, CONCERNING VIOLATION OF ZONING REGULATION LISTED BELOW.
- ☐ CONTACT INSPECTOR AND ARRANGE FOR APPOINTMENT. (See telephone number below)
- ☐ CORRECTIONS LISTED BELOW MUST BE MADE BEFORE WORK CAN BE APPROVED.
- ☐ PAY REINSPECTION FEE (See back); THEN ☒ CALL FOR REINSPECTION AT (619) 581-7111
- ☐ PARTIAL APPROVAL
- ☒ CORRECTIONS REQUIRED
- ☐ WORK DESCRIBED BELOW HAS BEEN INSPECTED AND IS APPROVED.

EACH OFFICE / STORAGE ROOM REQUIRE SWITCHING IN ROOM (DUAL SWITCHING)

LIGHT FIXTURES CAN NOT BE ON TOP OF PARTITION WALLS

THE ACTIONS OR CORRECTIONS INDICATED ABOVE ARE REQUIRED WITHIN, _____ DAYS. THE SAN DIEGO MUNICIPAL CODE REQUIRES PENALTY FEES WHEN WORK HAS BEEN STARTED WITHOUT PERMIT.

3 IN LEAD 24 FOR
 NAME OF INSPECTOR (PRINT) *CHAD COSTINE* 858
 INSPECTOR'S SIGNATURE *CHAD COSTINE* 177 2-799
 OFFICE TEL NO. *621 477*
 DATE

DS-13A (1-02)

7:15 A.M. TO 7:45 A.M. MONDAY THRU FRIDAY

☒	BUILDING
☒	ELECTRICAL
☐	HEATING
☐	PLUMBING
☐	REFRIGERATION
☐	COMBINATION
☐	SIGNS
☐	MOBILE HOME